

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF ELECTRIC)	
RATES OF THE UNION LIGHT,)	CASE NO. 8850
HEAT AND POWER COMPANY)	

O R D E R

On December 20, 1983, the Commission authorized Union Light, Heat and Power Company ("ULH&P") to place into effect, subject to refund, interim rates designed to recover an annual increase of \$773,704 in purchased power costs. ULH&P's purchased power costs were increasing due to higher settlement rates placed into effect, subject to refund, by its wholesale supplier, Cincinnati Gas and Electric Company ("CG&E").

CG&E had requested the Federal Energy Regulatory Commission ("FERC") to approve an \$8,240,388 annual rate increase to ULH&P. This Commission and other parties intervened at the FERC on behalf of ULH&P's Kentucky customers. After extensive negotiations, a settlement was reached whereby rates would increase only \$773,704 and no costs of the Zimmer Nuclear Plant would be included in ULH&P's rates.

On February 24, 1984, the FERC accepted CG&E's settlement rates with an effective date of December 20, 1983. This action allows CG&E to retain all revenues collected since that date and

extinguishes any possibility of a refund. Consequently, ULH&P's interim rates should be made permanent and the obligation to keep its records in a manner to facilitate refunds should be removed.

IT IS THEREFORE ORDERED that ULH&P's interim rates, approved on December 20, 1983, be and they hereby are approved on a permanent basis for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that ULH&P is no longer obligated to keep its records in such a manner as to facilitate refunds.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, ULH&P shall file its revised tariff sheets reflecting the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary